

Testimony

of

The Honorable Tina W. Jonas
Under Secretary of Defense (Comptroller)

before the

Senate Appropriations Committee
Subcommittee on Defense

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Mr. Chairman, members of the Committee, thank you for the opportunity to discuss President Bush's fiscal year 2007 budget request for the Department of Defense.

I would like to begin by saying thank you to the Committee for your continued strong support for the men and women of America's Armed Forces and their families. I will briefly summarize some of the more important elements of the request.

The President's fiscal year 2007 budget request for the Department of Defense is \$439.3 billion. This is a seven percent increase over the FY 2006 enacted level of \$410.8 billion.

This Committee has jurisdiction over \$422.6 billion, which includes operation and maintenance, procurement, research and development, and military personnel.

The budget supports the President's 2005 National Security Strategy, the long war against terrorist extremists, and the findings and recommendations of the 2006 Quadrennial Defense Review (QDR).

Strategic Priorities

Like the QDR, the FY 2007 budget supports the Department's continued shift in emphasis – away from the static posture and forces of the last century to the highly mobile and expeditionary forces needed to prevail against any adversary in the years ahead.

The budget is aligned with the QDR's strategic priorities and invests in the capabilities and forces the Nation needs to:

- Prevail in irregular warfare operations, including wars of long duration, like the global war on terror;
- Defend the homeland, especially against catastrophic terrorism and other advanced threats;
- Maintain America's military superiority, to ensure our ability to deter or defeat threats from other nation-states; and
- Continue the Department's strong support of our military men and women and their families.

Prevail In Irregular Warfare Operations

To prevail in irregular warfare operations, the FY 2007 budget substantially increases the size and capabilities of Special Operations Forces, investing \$5.1 billion in FY 2007 and \$28.7 billion over the FY 2007 to 2011 program to:

- Fund an additional 14,000 Special Operations Forces (Special Operations Forces will expand from 50,000 in FY 2006 to 64,000 by FY 2011. This is a growth of 4,000 in FY 2007);
- Increase the number of SOF battalions by 33 percent (Active duty battalions will grow from 15 to 20 by FY 2012);
- Fund a new Marine Corps Special Operations Command;
- Establish a SOF Unmanned Aerial Vehicle Squadron; and

- Increase the number of Navy SEAL teams to provide added maritime capability.

To increase Joint combat power, the budget provides \$6.6 billion in FY 2007 and \$40.6 billion over the program, to complete conversion of 48 regular Army brigades to 70 modular Brigade Combat Teams.

To continue the modernization and integration of ground forces, and produce a swifter, smarter, and more lethal force, the budget provides \$3.7 billion in FY 2007 and \$22.4 billion over the program for the Future Combat System.

Understanding the nature of the battle space on a minute-to-minute basis is critical to the success of our forces. The budget provides \$1.7 billion in FY 2007 and \$11.6 billion over the program for unmanned aerial vehicles to increase U.S. intelligence-gathering capabilities and enable persistent, real-time intelligence – 24 hours a day, seven days a week.

In addition, to equip our forces with the language and cultural skills they will need for 21st century missions, the budget invests \$181 million in FY 2007 and \$760 million over the program to expand language training for both general and special operations forces.

Defend the Homeland

To defend the homeland against 21st century threats, including global terror networks and rising states with nuclear weapons, the FY 2007 budget provides:

- \$1.7 billion in FY 2007, and \$9.3 billion over the program to develop countermeasures against advanced biological and other weapons, and to tag, track, locate and render-safe nuclear weapons;

- \$10.4 billion in FY 2007 and \$47.5 billion over the program to produce and field additional ground and sea-based interceptors to defend against intercontinental and theater ballistic missiles; and
- \$0.9 billion in FY 2007 and \$9.3 billion over the program to dramatically increase and extend satellite communications capabilities to our deployed forces around the world.

Maintain U.S. Military Superiority

While the focus in the years ahead will be on irregular warfare operations rather than another major conventional war, the United States must maintain the ability to deter or defeat the conventional forces of other nations.

The Department continues to maintain a robust procurement program. The budget invests \$84.2 billion in FY 2007. This is an increase of \$8 billion, over the FY 2006 level.

To improve joint air support capabilities, maintain and improve joint air dominance, and improve the maritime capabilities of the joint force, the budget invests:

- \$4.7 billion in FY 2007 and \$27.1 billion over the program, to purchase additional Apache, Chinook, and Black Hawk helicopters as well as the V-22 Osprey;
- \$10.4 billion in FY 2007, and \$61.3 billion over the program, to acquire more capable weapons systems – such as the F-22, the F/A-18 E/F, and the first procurement of the Joint Strike Fighter; and

- \$11.2 billion in FY 2007 and \$77.5 billion over the program for seven new multi-mission, multi-capable ships: two Destroyers (DDX), two Littoral Combat Ships (LCS), one Virginia Class Submarine (SSN), one Amphibious Assault Ship (LHA(R)), and one Logistics Ship (T-AKE).

Supporting Service Members and Their Families

Because success in everything we do depends on the skill and dedication of the men and women who safeguard the freedom we enjoy every day, the FY 2007 budget continues the Department's strong commitment to provide a high quality of life for those who serve and their families.

Military Pay

One demonstration of that commitment is military pay. Since 2001, basic military pay has increased 29 percent. In FY 2007, basic pay will rise another 2.2 percent over the FY 2006 level.

That means an Army Sergeant (E-6) with 14 years of service, for example, will earn \$779 more in FY 2007 than he or she did in FY 2006, and \$8,893 more than in 2001.

A typical Air Force captain (O-3) will earn \$1,188 more in FY 2007 than in FY 2006, and \$11,347 more than in FY 2001.

To ensure no out-of-pocket housing costs for military families living off-base, the budget increases the basic allowance for housing by an average rate of 5.9 percent.

Military Health Care

High-quality health care is another important benefit for service personnel and their families. The Department's health care program, TRICARE, provides one of the best health care coverage programs in the Nation.

The budget provides \$39 billion in FY 2007 to provide health care for military personnel and their families. This includes \$21 billion for the Defense Health Program – a \$1 billion increase over the FY 2006 enacted level.

In fact, over the past five years, the full cost to provide military health care has nearly doubled – from \$19 billion in FY 2001 to \$37 billion enacted in FY 2006. Unless action is taken to address the rising cost of care, the current program is projected to increase to \$50 billion by FY 2011.

Clearly, these rising costs cannot be sustained over the long term. Therefore, to place the health benefit on a sound fiscal basis for the long term, the Department is proposing to rebalance the share of costs between individuals and the government. The budget proposes to adjust the cost share for working-age retirees under 65. This change will not affect active duty service personnel and their families, except for minimal changes to pharmacy co-payments for family members.

In 1995, as established by Congress, 73 percent of the cost was paid by the Department of Defense; 27 percent of the cost was paid by the beneficiary. Today, 88 percent of the cost is paid by the Department of Defense; and just 12 percent by the beneficiary.

The budget proposes to gradually adjust these shares to less than the 1995 cost-share level.

Department of Defense FY 2007 Budget

The Quadrennial Defense Review is the result of an extensive, year-long review of U.S. military capabilities and forces. The QDR identified strategic priorities for added investment, and the FY 2007 budget initiates the process of funding those priorities.

The budget sustains the President's commitment to defend the United States, especially against catastrophic terrorism, and provide for the security of the American people. It continues the Department's strong support of service members and their families, and it supports the Department of Defense's continued shift in emphasis – away from the static posture and forces of the last century, to the highly mobile and expeditionary forces needed to prevail against any adversary in the years ahead.

Supplemental

The President recently submitted a request for a FY 2006 supplemental appropriation. The Department of Defense's portion of this request is \$65.3 billion, which will fund ongoing military operations in Afghanistan and Iraq, and other incremental costs of the global war on terror.

The Department appreciates the Committee's prompt passage of previous supplemental requests, and we request your support for this one as well. Approval of the supplemental request will enable the Department to fund war-related costs for the rest of this fiscal year.

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